

TESTIMONY OF RICHARD A. WHITE, CEO
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
BEFORE THE
HOUSE COMMITTEE ON GOVERNMENT REFORM
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Good morning, Mr. Chairman and Members of the Committee. Thank you very much for the opportunity to testify today on the Washington Metropolitan Area Transit Authority's (WMATA) performance and how Metro is preparing for the future. My name is Richard White, and I am the General Manager and Chief Executive Officer of WMATA.

Grand Design and Vision for Metro

The vision of a world-class rapid rail system to serve the National Capital Region was born in the 1950s when the Truman Administration and the leadership of the National Capital Region formed a partnership to develop a rapid rail system. The early planning efforts were aimed at addressing the orderly development of the federal city, mounting traffic congestion and the growing needs of the federal government.

President Kennedy, in 1963, called for an "improved transportation system [that] must include a major rapid transit system. The alternatives would be steadily worsening congestion with what all that congestion means in losses in time and money..." In 1965, in a letter to Congress, President Johnson stated "The

problem of mass transportation in the Washington area is critical. It is also a problem in which the federal government has a unique interest and responsibility... improved transportation in this area is essential for the continued and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, [and] for the orderly growth and development of the National Capital region....” The federal-regional partnership continued in every subsequent Administration through completion of the original 103-mile Metrorail system.

As planning for the Metrorail system progressed, federal leaders urged the architects to scour the world, making sure that the United States had a transit system befitting its position as a world capital. The federal government insisted upon certain Metrorail Station locations to serve federal facilities and specifically provided funding for the Arlington Cemetery Station.

The planners and engineers that built Metro had a grand vision, but were faced with the political reality of having to control costs in order to build political support. Metrorail is one of the first of a new generation of subways built in the United States, several decades after other cities, such as New York and Boston, had completed extensive subway systems, built with at least three tracks and multiple downtown tunnels. Thus, Metro was built on an architecturally grand scale with tile and granite platforms, high vaulted ceilings and sleek sight lines, but operationally it was limited to two tracks, rather than the multiple tracks

enjoyed by older cities. Further, to control costs, the amount of land taken was minimized, the construction made less intrusive and disruptive to federal buildings, and built along existing railroad rights-of-way and highway medians. It is astounding that of Metrorail's total construction costs, \$10 billion, only \$415 million, or 4.2 percent, was spent on real estate. Much of Metrorail's track runs beneath massive art galleries, federal buildings and rivers, or through well established residential or commercial centers, and designers were cautioned to build a system that would require the least amount of real estate and disruption. I would note that if the Metrorail System were built today, it would cost \$24 billion in current dollars.

The product is an architecturally beautiful system, with an "unforgiving" operational design, where even a minor incident can have a major impact on the customer. We have a "go right" system, because on-time service reliability can only be maintained as long as everything "goes right". This condition is analogous to a two-lane highway with limited breakdown lanes and off ramps serving the traffic volume of an interstate freeway. This "go right" system has become increasingly difficult to support as ridership continues to grow and the throughput of the Metrorail system is stretched to its limits. Attached to my testimony in Attachment 1 is an analysis, entitled "Metrorail – Driven by Design" that provides more detail on Metro's operational challenges.

Over the last eight years, our daily ridership has grown 33 percent to an average daily 670,000 trips on Metrorail. During rush hour periods, trains are running between two and two and one half minutes apart. One 10-minute delay causes a chain reaction, and as many as five additional trains and thousands of passengers in these and other trains and stations can be delayed.

Appendix 1 includes a chart that details Metrorail's key service statistics for the period FY2000 - 2005. This chart shows a number of the performance measures that we track daily, such as average daily delays and offloads (emptying a train of its customers because of an equipment or other malfunction) and the reasons for these passenger inconveniences. We use many factors, including equipment failures; system, track or other operational failures; and human factors (such delays caused by sick customers or police incidents) to develop a service reliability index. Our ongoing customer surveys tell us that service reliability is the number one factor that our customers care about.

Recent Challenges and Accomplishments

Following September 11, 2001, state and local governments in the region faced budget constraints as they devoted greater resources to security initiatives, at the same time that tourism and discretionary spending fell off. WMATA, facing an initial decline in ridership resulting from the attacks, saw reduced fare revenue and reluctance from state and local governments to increase their contributions at a rate in excess of other programs they fund. As a result, WMATA cut \$90

million out of our operating budget over the past six years. Rather than reducing rail and bus service, deferrals were made to infrastructure maintenance, cleaning and landscaping, and employee training and customer support.

These were difficult decisions because we needed to make budget cuts at a time that ridership was growing with opening of 17.3 miles of service and 12 new rail stations over seven years, expanded rail service hours, skyrocketing demand for paratransit service for the disabled, and growing capital funding requirements associated with an aging system.

This past year has been a challenging one for Metro. We had the first train collision since 1996, a series of service interruptions and several incidents that did not always manifest the best human judgment. We have performed a rigorous self evaluation that has resulted in a number of improvements. We have enhanced the role of our audit office and have re-invigorated our Board Audit Committee. These improvements have led to examination of areas that had the potential to increase revenue and/or decrease expenses. Our recent action to reduce the number of take-home vehicles and to charge Board Members and Metro staff for parking at WMATA headquarters were results of a recent audit.

We are committed to rectifying our deficiencies. For example, an Ernst and Young audit of WMATA's FY2000-2004 operating costs recommended several areas of improvement. Ernst and Young found that more investment in

Information Technology (IT) could provide opportunities to produce cost savings and improve process efficiency. WMATA is now in the third year of our Information Technology ReNewal Program (ITRP) to bring WMATA into the 21st century in terms of computer systems and software. This program is already starting to generate cost savings. Additionally, it will greatly enhance efficiency by creating new business processes and changing the way WMATA does business.

When Ernst and Young found that management practices did not place enough accountability on operating groups for inventory level growth, we took steps to correct that. WMATA assembled a multi-disciplinary team of Operating and Purchasing and Warehousing personnel to comprehensively examine multiple aspects of inventory and parts management. Improvements will include expanding just-in-time inventory techniques, significant efforts to develop qualified parts lists and qualified vendor lists, upgraded automated systems to reduce the lead time for acquisitions, and better forecasting of parts requirements so maintenance needs can be met more quickly without the need for larger inventories.

Over the next few months, Metro will undertake a series of independent external reviews to ensure our policies, procedures and programs are focused on providing the best possible bus and rail reliability, and customer service. The Metro Board approved the expenditure of \$650,000 to conduct these

independent reviews. The American Public Transportation Association has already conducted a review of Metrorail operations and training and is preparing for a similar review of Metrobus at the end of this month. We expect the results of those peer reviews a few months after the conclusion of their on-site visits. We will also be doing an independent Customer Service Issues Review and a general Service Reliability Review. Further, the Metro Transit Police Department (MTPD) will be examined in a Police Executive Research Forum Review of MTPD's policing policies and procedures.

Based on our review of the analyses to date, we believe that approximately seventy-five percent of our mishaps can be attributed to design shortcomings, lack of adequate reinvestment in the system infrastructure and the challenges of growing ridership. In FY2004, WMATA carried 336 million passengers -190 million on rail and 146 million on bus. On June 9, 2004, the day of former President Ronald Reagan's funeral, Metrorail carried 850,636 riders, breaking the single-day ridership record that had stood since the Inauguration Day of 1993. Each day, Metrorail serves 33,000 station stops with 904 rail cars. Given the large and growing volume of people that we efficiently serve seven days a week, when our on-time performance (a train that is more than 4 minutes delayed) slips from 98 percent to 97 percent, a record most businesses would be quite happy to achieve, we unfortunately inconvenience thousands of people.

We attribute the remaining twenty-five percent of our challenges to internal human performance issues. I have publicly taken responsibility for our performance and I, once again, vow to you my commitment to resolving those issues that are under management control. In the course of my testimony today, I will describe the aggressive steps the WMATA Board of Directors and management are taking to address these issues, regardless of the underlying cause.

Immediate Action – Back to Basics

In November 2004, we announced a “Back to Basics” Program designed to focus on our primary strategic goals: safe, clean, reliable service, with renewed emphasis on customer service and communications. We have begun work and completed a number of new initiatives, within the constraints of our FY05 budget.

The efforts that we have been or will be undertaking include:

- Initiating improved customer service through “Rail Line Ownership” where one Manager will take charge of all aspects of one rail line (e.g. Red Line), including operations, cleanliness, customer service, schedules, etc. to ensure complete accountability for the full spectrum of service on each individual rail line. We intend to post their photos and contact information so that customers can give and get immediate feedback about rail service;
- Implementing improved internal processing of procurement, safety certifications, hiring and training to ensure that every part of the WMATA organization is focused on supporting the Operating Department;

- Improving customer communications by providing accurate, timely, consistent service delay information with regular updates, including deploying senior managers and others to rail stations to assist customers during major service disruptions; improving our current service disruption reporting system; and developing an incident management system that integrates reporting on WMATA's different modes and integrates with regional reporting systems;
- Hosting our first Town Hall Meeting on November 16, 2004, and will be continuing these forums for feedback on a regular basis;
- Placing bomb resistant trash cans in all rail station platforms and mezzanines; and
- Reinforcing our efforts to hold accountable individuals responsible for misjudgments and errors.

As you will hear shortly from the new Chairman of the WMATA Board of Directors, Dana Kauffman, our Board of Directors is committed to the creation of a new culture at Metro – one of the Board and management working together on transparency, accountability, customer service, and improved safety, reliability and cleanliness.

Fiscal Year 2006 WMATA Operating Budget

The Operating Budget that I have proposed to our Board for our Fiscal Year 2006, which begins July 1, 2005, includes \$10 million of new initiatives targeted at safe, clean reliable service, such as:

- Fourteen additional track inspectors to discover potential problems before they can cause a delay;
- Seven additional rail personnel at platforms to help customers get on and off trains, minimizing delays;
- Ten additional station managers at high volume stations to serve customers better;
- Twenty six cleaning personnel to improve the appearance of the system;
- Sixteen additional customer service agents – eight of whom will be assigned to specific rail lines -- to improve our responsiveness to the public;
- To keep up with huge demand for Smartrip cards, making sure our Smartrip card reading machines are working properly and fare card charts are installed above fare vending machines; and
- Improving the reliability of bus destination signs and the electronic signs on rail platforms to give better information to our customers.

I would like to take a moment to put the proposed \$10 million operating budget initiative into context for you. WMATA's total annual operating budget is approximately \$1 billion. Of our total budget, about 57 percent of our costs are covered by farebox and other revenue, such as advertising and leasing fiber optic right-of-way. This 57 percent is one of the highest cost recovery ratios in the country and means that we run very cost efficient bus and rail service, with our customers are paying a very substantial share of our costs. For each of the

past two years, we have imposed a fare increase on our customers and are reaching the point where we may become so expensive for people that it will drive them back into their automobiles.

Our operating costs continue to grow, as we provide more and more paratransit service and energy costs continue to skyrocket. In WMATA Fiscal Year 2005, our paratransit service for persons with disabilities, MetroAccess, accounts for less than one percent of our ridership, but is six percent of our operating budget. By 2015, it will constitute twelve percent of our budget and the estimated shortfall attributable to MetroAccess in 2015 is estimated to be \$186 million.

We have extremely limited control over the MetroAccess portion of our budget. It is a federally mandated -- but not federally funded -- service under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.). Even though many eligible participants may be capable of taking fixed route bus or rail service, we are required to provide on-call service within our 1500 square-mile service area. We are also, under law, prohibited from charging more than twice the regular route fare. Thus while it costs us an average of approximately \$35 per MetroAccess trip to provide curb-to-curb service, we only charge \$2.50 per MetroAccess trip. As the demographics of the region changes, demand for MetroAccess continues to grow each year. Over the past two years, MetroAccess demand has increased approximately 15 percent annually and is expected to increase by another 22 percent annually through WMATA's FY2007.

This looming reality prompted us to convene a Regional Task Force in 2003 to identify ways to improve paratransit services and to reduce the cost of providing that service. To assist the Task Force, WMATA initiated a Specialized Transportation Study which identified 39 separate specialized transportation service providers in the District of Columbia, Maryland and Virginia. Many these paratransit programs are administered by social service agencies; however, none of the programs, other than MetroAccess, are coordinated regionally.

In FY03, MetroAccess provided 24 percent of the specialized transportation trips taken throughout the region, at average trip cost of \$35 per trip. Other human service agencies providing specialized transportation throughout the region were able to offer this service at a cost of approximately \$16 per trip, whereas local jurisdictional providers per trip costs average roughly \$17 per trip. The lower per trip costs by providers other than MetroAccess is explained by shorter, less costly trips (intra-jurisdictional rather than regional) being provided by local providers, while MetroAccess is called upon to carry longer trips that are more difficult to group for greater efficiency (e.g. trips to medical facilities or employment sites in states other than the customer's residence). Finally, WMATA is bound by strict ADA paratransit service criteria (e.g. prohibition on trip denials, service must be provided during all hours and days that fixed-route service is provided) that may not apply to other agencies.

In light of MetroAccess' higher cost per trip, while MetroAccess provided 24 percent of the specialized transportation trips in the region in FY03, WMATA's funding agencies paid to WMATA nearly 40 percent of the \$87 million this region spent on specialized transportation in this region in FY03.

The Regional Task Force made several recommendations; WMATA has been able to implement some reforms to help contain costs, such as:

- Free fares on rail and bus for MetroAccess eligible persons and companions; and
- Implementation of a premium fare for trips beyond the federally-mandated paratransit service area.

Some of the other recommendations of the Task Force require action of the entire region, since they deal with multi-jurisdictional issues such as the possibility of WMATA becoming a Medicaid transportation provider, creating a regional clearinghouse on transit options for disabled riders, and establishing a dedicated funding source for accessible transportation services, among other recommendations. We would urge the Metropolitan Washington Council of Governments to follow the suggestion of the Blue Ribbon Panel on WMATA Dedicated Funding to establish a new panel with expertise to focus on existing federal, state and local social service funding that might be channeled towards transportation.

We are pleased that our recent labor agreement will also enable us to control costs. We recently negotiated a four-year agreement, which provides for modest, 1.5 percent wage increases for most of our unionized workforce for the first two years of the agreement. For the remaining two years, we will need to negotiate with labor concerning wage rates and work rules. With this agreement, WMATA ranks eighth among large transit properties in its starting rate of \$14.44/hour. WMATA ranks sixth in its top rate of \$24.07/hour and is third with its longevity rate of \$25.88/hour

With the inevitable growth in the cost of providing service and our reluctance to further raise fares, we are placing an increasing burden on the State of Maryland, the five Virginia localities (Fairfax County, Fairfax City, Arlington, Alexandria and Falls Church), the Commonwealth of Virginia, and the District of Columbia to increase the level of their operating contribution to Metro. We are proposing that in WMATA FY06, the state and local jurisdictions in this region will contribute to our operating budget a total of \$443.9 million, an increase of \$41.7 million, or 10.4 percent above their FY05 contribution. At a time when state and local budgets are not growing by nearly this large a percentage, we are asking for a significant increase in state and local funding to help cover our operating expenses not covered by the farebox and other non-passenger revenues.

WMATA'S Capital Budget and Metro Matters

In 2000 when this Committee asked the Government Accounting Office (now the Government Accountability Office) to examine WMATA, the title of GAO's report was "WMATA is Addressing Many Management Challenges, But Capital Planning Could Be Improved" WMATA took GAO's recommendations to heart and put great effort into developing a strategic plan, not only identifying our capital priorities in light of constrained federal, state and local funding available for transit capital needs, but also in putting together a short-term funding agreement, called "Metro Matters", among our state and local partners.

By way of background, in November 2002 WMATA published its 10-Year Capital Improvement Plan (CIP). The CIP was the outgrowth of WMATA's 1999 System Expansion Plan, which documented extensions to the Metrorail system and other fixed-guideway transit investments; the 2001 Core Capacity Study, which identified Metrorail's infrastructure and rolling stock requirements to meet the challenges of the next 25 years; and the 2002 Regional Bus Study, the region's first comprehensive analysis of all local bus services since the inception of Metrobus. Taken together these reports laid out the capital requirements for WMATA to maintain its market share and to serve new and growing markets that currently do not benefit from its service.

The \$12.2 billion capital program contained in the 10-year CIP, running from FY04 to FY13 is composed of three parts: a "must-do" \$3.1 billion Infrastructure

Renewal Program, to maintain WMATA's existing infrastructure; a "need-to-do" \$2.9 billion System Access and Capacity Program to enhance the capacity of the existing Metrobus and Metrorail systems; and a "should do" \$6.2 billion System Expansion Plan, to expand Metrorail and other fixed-guideway transit into new and growing markets. Taken together the System Access and Capacity program would have expanded the Metrorail and Metrobus fleet by over 20% and permitted Metrorail to operate at 90% of its design capacity. The System Expansion Plan identifies 114 miles of new fixed-guideway transit service to be provided through Metrorail, light rail, or bus rapid transit.

WMATA's regional funding partners were able to commit only \$1.8 billion to the capital plan over a 6-year period and requested a 6-year capital program that reflected WMATA's most critical needs. Thus, of the \$12.2 billion capital program, WMATA staff identified \$3.3 billion in urgent projects that are needed to adequately maintain the existing system and permit an expansion of the bus and rail fleet by about 12%, avoiding unmanageable crowding in 2007. With \$1.5 billion remaining unfunded, WMATA was forced to find new ways to fund its capital program or face the prospects of ever-declining service, the "death spiral" I have spoken of.

The result of this was the Metro Matters Funding Agreement. The Metro Matters Funding Agreement is a fundamental change in the way WMATA funds its capital program; moving the Authority from an obligation-based budget to an

expenditure-based budget, issuing short- and long-term debt as needed, and including \$307 million of additional state and local funding – above that originally committed -- all of which will allow us to fully fund the Metro Matters Program. However, the success of the Metro Matters Funding Agreement rests with a robust TEA-21 reauthorization and \$260 million in additional federal funding to pay for additional rail cars.

The full funding of the Metro Matters Agreement meets WMATA's most urgent capital needs through 2010 but leaves critical portions of the 10-Year CIP unfunded. Beyond FY2010 Infrastructure Renewal Program remains unfunded and will require a future funding agreement. The \$2.1 billion balance of the System Access and Capacity Program, which among other things will purchase 130 additional rail cars to avoid unmanageable congestion early in the next decade, is also unfunded, along with 235 additional buses and associated maintenance and storage facilities. Finally, it does not fund any of the System Expansion Plan, which is critical to WMATA's ability to grow into new markets. Without expanding into new markets WMATA will serve a declining share of the region's population, increasing congestion and reducing the economic vitality of the Washington region.

The \$3.3 billion Metro Matters Agreement covers the six year period WMATA FY05 –10, enabling WMATA to have some longer term funding stability so that we can better plan and execute urgent capital projects. The Metro Matters

Agreement was signed by the State of Maryland, our five local funding partners in Virginia and the District of Columbia. It also envisions a strong, continuing partnership with the federal government. Specifically, the Agreement will enable the following urgent capital priorities to be addressed:

- Purchase of 120 new rail cars to provide eight car trains on one-third of the system, thus reducing crowding. Our state and local funding partners have committed a total of \$365 million - to be matched by \$260 million in new federal funding - to pay for these desperately needed cars;
- Purchase of 185 new buses;
- Infrastructure renewal work on track and structures; train control systems; modernizing stations, bus garages and other facilities; updating ventilation, heating and cooling systems, and other physical asset renewal.
- Security enhancements totaling \$143 million, of which the establishment of a back-up, off-site Operations Control Center is our top priority. Our security program is 100 percent dependent on federal funding.

This work will allow us to reduce the backlog of deferred capital projects and increase the level of reinvestment in the system from 1.3 percent annually to approximately 2.3 percent. While this is a substantial increase, it is small by comparison to private businesses, which usually spend an average of 3 percent annually on asset reinvestment.

Many of these investments have a long lead time, taking several years to complete. We anticipate that riders will see the fruits of the Metro Matters Program in a little less than three years, as we add rail cars; electrical power capacity and precision stopping capability to provide eight-car trains on every third train consist; and new buses. The customer will not see many of the other projects such as patching leaky tunnels and replacing older deteriorating assets. But we are confident that the customer will experience all the benefits as the system becomes increasingly reliable as it is brought up to good working order. Given that the benefits of Metro Matters are a few years away and the customer is already feeling the effects of aging, our “Back to Basics” approach that I mentioned earlier is all that much more imperative.

Dedicated Funding

In June 2004, the Brookings Institution published a report entitled “Washington’s Metro: Deficits By Design”, documenting the fact that WMATA’s funding structure makes the agency “vulnerable to recurring financial crisis”. In reviewing the way in which transit agencies throughout the United States are funded, Brookings found that WMATA’s funding structure is unique, with an “extraordinary lack of dedicated funding sources [which] has necessitated an over-reliance on annually appropriated support.” Today, less than two percent of WMATA operating funding comes from a dedicated source (a small northern Virginia gas tax.) The Brookings Report notes that over half the total capital spending for the nations’ transit systems came from

dedicated sources, while for WMATA, none did. For operations, about one-third of the transit funding nationwide is from dedicated sources.

Blue Ribbon Panel on Dedicated Funding

In January, 2005, a Metro Funding Panel (Blue Ribbon Panel) established by the Metropolitan Washington Council of Governments, the Federal City Council and the Greater Washington Board of Trade issued its report on the *Analysis of and Potential for Alternative Dedicated Revenue Sources* (for WMATA). You will receive a summary of that report from the Panel's Executive Director, Mr. Mortimer Downey, but I would like to draw your attention to a few of the Panel's conclusions.

The Panel found that "Metro is succeeding beyond expectations in ridership and yet is literally falling apart." The Panel warned that Metro's continued viability is at risk if adequate investment is not made for the system's capital needs and for critical operating requirements. It predicted a further decline in the system's condition and unacceptable levels of performance if adequate and stable funding cannot be achieved.

After considerable review, the Panel determined that there is a \$2.4 billion funding shortfall facing Metro between FY2008 and FY2015. It is recognized that funding needs to begin at least two years prior to the completion of the Metro Matters program due to the length of time required to contract for and

complete capital improvement projects. In acknowledging this funding need, the Panel made several key assumptions, including:

- WMATA will maintain a 57 percent cost recovery ratio; future fare increases may be required to reach this goal
- Contributions by state and local governments in the region will continue to grow at a 5.3 percent annual rate, compared with the historic 3.5 percent growth rate
- Funding for MetroAccess should be “borne through social service funding” rather than transportation funds. Hence, a projected total shortfall of \$1.1 billion over a ten-year period was deducted from the Panel’s consideration
- Federal, state and local partners will meet their obligations under Metro Matters and continue a “maintenance of effort” level of re-investment, including the provision of \$260 million from the federal government for the purchase of new rail cars
- The funding shortfall should be met by a combination of new dedicated revenues, based on a regional approach, at the state and local level and a new commitment of federal funds. This equates to \$1.2 billion in new federal funding and \$1.2 billion in dedicated state and local funding.

Historically, the funding split for WMATA’s combined operating and capital budgets has been 33 percent from fare and other revenue, 38 percent from non-federal sources, and 29 percent from the federal government. If the Panel’s

recommendations are implemented, the resultant funding split would be 26 percent from fares, 46 percent from non-federal sources and 28 percent from the federal government. The Panel's recommendations would place a greater burden on state and local governments, somewhat relieve the customer who is now paying a substantial share of costs, and keep the federal government's contribution about equal to the historic share.

In recommending that the federal government provide \$1.2 billion in new federal funding for WMATA, the Panel found that "the federal government, whose workforce is the mainstay of Metro ridership, is the largest single beneficiary of this service and should continue to share in the costs of the system." WMATA is such an important asset to the federal government that proximity to a Metro station ranks high in determining the location of federal buildings. Metro was designed specifically to serve federal facilities and today over 300 federal offices are located near Metro service. Today, 47 percent of Metro's rush hour riders are federal employees.

This region attracts 22 million people annually from around the country and the world to visit the nation's capital. Thousands more visit to do business with the federal government, and many take Metro. We are not just the regional transit agency, but as some have dubbed us, "America's Subway."

WMATA is routinely called upon to provide transit service, and related security, for special events on a scale that most other transit agencies in the country can only imagine. Events on the National Mall, such as Independence Day celebrations, marches and demonstrations require much advance planning, special service plans, additional trains and buses and all the accompanying overtime. On a typical 4th of July, we quickly and efficiently move 300,000 people of the Mall in 90 minutes.

A safe, secure and reliable Metro system is a critical component for ensuring the continuity of federal government operations during an elevated security alert level or actual emergency. Federal emergency evacuation and recovery plans rely heavily on Metro. Approximately 10 percent of Metro's daily ridership uses stations next to the Capitol and Pentagon. The reliance on Metro continues to increase as the region makes the necessary adjustments associated with living in the post September 11, 2001 environment.

With the 55th Presidential Inauguration celebration just recently behind us, we're all aware of the impact the numerous street closures and other security precautions had on vehicular traffic in the downtown area. Nearly 200 square blocks were closed to traffic or access to them was restricted because of the Inauguration. The Metrorail system was, essentially, the only viable transportation option to reach downtown destinations on the day of, and the day prior to, the Inauguration for both local residents and visitors from around the country. Many attending the Inaugural balls arrived by Metro. And with a great

deal of pride, Mr. Chairman and Members of the Committee, I can report to you that Metro came through with flying colors on these days.

It's not only the heightened security status associated with the numerous national special events that impact the mobility and transportation options available to our regular customers and out of town visitors. Metro has also become the most viable option for navigating the security measures that have been put into place by the federal government on a permanent basis. Since September 11, 2001, over 30 blocks in core downtown locations including areas close to the White House, Capitol, and the State Department have been closed with no intention of reopening. Protective barriers on other streets that remain open have also impacted traffic flows. Many federal departments have limited parking in their garages.

As touched upon earlier in the testimony, the Metrorail system was built with limited operational flexibility. From a security point of view, the inherent physical inflexibility of a two-track system, which offers few alternatives during times of breakdown, elevates the importance of taking the measures necessary to improve reliability and increase capacity. While the chances of the fire that occurred in the New York transit system happening here is lower, the impact in terms of service could be just as severe if not greater due to the physical limitations of our system. A more dependable system that can move more customers is a more secure system. A more secure system ensures that Metro

can continue to serve a critical emergency response and recovery functions at times of crisis, as it did on September 11, 2001. Along with calmly and successfully evacuating hundredths of thousands of people out of the downtown core on that tragic day, at the request of the Pentagon, Metro provided additional buses and extended its hours of service to the Pentagon for several weeks afterwards.

Capital improvements that would be funded as part of a dedicated funding program, such as providing an underground walkway between stations serving different lines in the downtown core, will serve to relieve existing choke points during service disruptions. The security funds requested from the federal government as part of the "Metro Matters" campaign will address the need for redundancy in critical operations control functions, eliminating vulnerabilities in the WMATA operating system and improving Metro's ability to respond and recover during a regional emergency. The need for this redundancy was highlighted as WMATA's top security priority in a recently completed risk-based security assessment conducted by the Department of Homeland Security's Office for Domestic Preparedness. The additional rail cars requested also as part of the "Metro Matters" campaign directly addresses our capacity needs. We have already seen the benefits of eight car trains can have on relieving the impacts of service disruptions in the aftermath of last year's train collision at the Woodley Park station.

WMATA also continues to serve as a test-bed for the federal government and model for the country on new transit security initiatives. Metro's chemical

detector system, commonly referred to as “PROTECT,” has become a model for other transit agencies across the nation and around the world. The early warning data flowing from PROTECT is fully integrated into our Operations Control Center and the data and live images can also be accessed at safe zones for use by incident commanders in the region responsible for responding to an event. Federal partners who worked with WMATA in the development of the PROTECT system include the Departments of Justice, Energy, Transportation and Homeland Security.

Just last month, Metro Transit Police and Department of Homeland Security’s Transportation Security Administration (TSA) collaborated to enhance security at Metrorail stations and on trains during the days surrounding the presidential inauguration. The partnership with TSA, which included the use of federal screeners equipped with explosive trace detection gear and canines teams supplementing Metro’s teams of officers and explosive detection canines, performed without a hitch and will be applied to other special events across the country. WMATA continues to work with DHS, FTA and other federal agencies on opportunities to enhance biological, chemical and radiological detection technology development, decontamination response and recovery planning and operational security procedures.

Conclusion

In concluding, I have attempted to provide the Committee with a comprehensive analysis of our current funding and performance outlook. I don’t think I am being alarmist when I tell you without adequate, predictable resources, it is not a

question of WHETHER Metro's service will further deteriorate, but WHEN it occurs. The Brookings Report told us that and it was confirmed by the conclusions of the Blue Ribbon Panel.

There are other important reasons to address Metro's capital and operating funding issues. The Federal Transit Administration is justifiably asking for evidence that WMATA's "recapitalization, operations and maintenance needs over the next 20 years" have been addressed before allowing the Dulles project to proceed to construction. WMATA wants to do everything we can to bring more transit service to this region, but we recognize that it does not make sense to expand unless the basic operating, maintenance and reinvestment needs of the Metro system are met.

The Brookings Report, the Blue Ribbon Report, this hearing are all part of an important dialogue about the best way to address WMATA's long term funding issues. The federal government and the region have made a substantial investment in an extremely valuable asset. We must act expeditiously to protect that public investment. Now is the time to put Metro on a stable funding course to avoid it slipping into serious disrepair. I give my personal commitment that WMATA is taking serious steps to improve our performance. We are asking for the federal government and the regional to renew its longstanding partnership in order to preserve Metro for future generations. Thank you for the opportunity to discuss these urgent matters today.

Appendix 1

METRORAIL SERVICE STATISTICS

	FY2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 YTD Dec	% CHANGE FY 00 to 05
Average Daily Metrorail Ridership	558,000	607,000	625,000	638,000	653,000	670,000	20.1%
Average Daily Delays	3.9	4.3	4.3	5.1	6.9	8.1	107.6%
Average Daily Offloads	5.2	4.2	4.5	5.0	5.6	5.9	13.4%
Combined Delays and Offloads	9.1	8.5	8.8	10.1	12.5	14.0	53.8%
Rail System Delay Categories							
Car Equipment	68.7%	63.8%	63.2%	64.0%	61.7%	61.1%	-11.0%
Syst/Track/Transp	17.4%	17.7%	16.0%	14.5%	15.5%	18.0%	3.4%
Human Factors **	12.8%	15.4%	17.7%	17.0%	19.7%	17.8%	39.4%
Service Reliability Index	98.2	98.6	98.6	98.2	97.8	97.6	-0.6%
<i>Average Daily Impacted Riders</i>	<i>10,044</i>	<i>8,498</i>	<i>8,750</i>	<i>11,480</i>	<i>13,710</i>	<i>16,080</i>	<i>60%</i>
No. Of Total Daily Train Trips	1,368	1,472	1,472	1,473	1,538	1,538	12.4%
No. Of Revenue Vehicle Miles	149,805	162,911	172,516	171,517	173,307	181,838	21.3%
No. Of Daily Station Stops	32,525	33,059	33,059	33,085	33,283	35,419	8.8%
Service Changes	Connected Green Line U St. To Fort Totten - 2 Stations Fri. / Sat. 1am close	Opened to Branch Avenue 5 Stations Fri. / Sat. 2am close		Opened Branch Avenue Yard	Fri. / Sat. 3am close 5 minute Headway on the Red Line in April 2004	Opened Largo, Morgan and New York Ave. 5 am Opening	

Based on Mon-Thu Schedules. Friday has more miles, trips, stops.

* Human Factors include delays caused by sick customers or other customer related incidents, police incidents, bomb/chemical scares, etc

